

Transport, Environment and Residents Services Select Committee

Supplementary Agenda

Wednesday 12 February 2014

7.00 pm

Small Hall - Hammersmith Town Hall

MEMBERSHIP

Administration:	Opposition
Councillor Steve Hamilton (Chairman) Councillor Michael Adam Councillor Robert Iggulden Councillor Ali de Lisle Councillor Jane Law Councillor Gavin Donovan	Councillor Iain Coleman Councillor Wesley Harcourt (Vice-Chairman) Councillor Lisa Homan

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Date Issued: 07 February 2014

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LONDON BOROUGH of HAMMERSMITH & FULHAM

SELECT COMMITTEE INQUIRY INTO PUBLIC HOUSES

The British Beer & Pub Association is the leading organisation representing the brewing and pub sector. Our members account for 96% of beer brewed in the United Kingdom and own around almost half of Britain's 49,500 public houses.

One of the areas on which we represent industry members is to receive, consult and comment upon proposed changes to planning policy in local planning authorities in England, Wales and Scotland.

Q. The national position in relation to pubs and planning as you see it

- Pubs fulfill a unique role at the heart of communities as meeting places, social centres and community hubs in rural, suburban and town centres. The average pub injects around £80,000 a year into the local economy.
- It is also true that many pub buildings have particular heritage and architectural value which can enhance the look and feel of an area;
- However, pubs remain businesses and as well as their social value to the community they are a key part of the local economy and a key provider of employment in local areas. For example in Hammersmith & Fulham there are 140 pubs employing 1,950 people.
- Pubs have faced a challenging environment in recent years with a high tax and regulatory burden as well as changing consumer habits leading to high numbers closing;
- In times of economic hardship when consumers have less disposable income to spend eating and drinking out there will inevitably be some pubs that are unable to remain viable;
- It is important that both national and local planning policy encourages rather than inhibits growth in the sector.

Q. What do you feel can be done nationally and locally to address the closure of traditional public houses

- Rating is a key area where local authorities can assist public houses. Discretionary rate reliefs can be offered to qualifying pubs by local authorities and we would fully support this being explored.
- The 'Asset of Community Value' powers brought in as part of the Localism Act allow community groups the ability to list and bid for pubs that have particular value to the area and are at risk of closure - which the BBPA supports;
- Rather than go over and above this national framework, we believe local government could instead consider what they can do to minimise burdens on small businesses such as pubs in particular by not implementing restrictive licensing practices such as Late Night Levies and Early Morning Restriction Orders.
- As previously noted, pubs suffer from huge amounts of regulation across many policy areas but licensing is a particularly key area for pubs. Some local authority licensing policies, through trying to deal with the perceived problem of alcohol related disorder, have tended to penalise rather than support pubs. This is despite the fact that alcohol related disorder has declined along with and overall alcohol consumption. In recent years some areas have seen an increase in ever more onerous licensing policy towards pubs, in particular unnecessary licensing conditions and heavy handed enforcement. All of this contributes to the overall burden on licensed premises and makes it more and more difficult for them to remain viable.
- BBPA is supportive of the Government's intention to give communities that genuinely value and use their local pub the opportunity to save it in rare circumstances where an individual or company may no longer wish to run it. Some of our member companies have in fact already worked with communities who wanted to run their local pub when it might otherwise have closed (Pub is the Hub). However, unfortunate as it may be there will not always be the will or desire within the community to save every last pub. Pubs require a high level of knowledge, expertise and time to run properly and this will not always be available. Additionally, businesses exist where there is demand and if the demand diminishes then the business will not be able to survive – and indeed the closure of one pub may help others in the area to survive.
- We therefore believe that it is counter-productive to introduce planning restrictions to prevent loss of pubs but local authorities should provide the basis for communities to protect pubs that are truly of value to the community via support for existing businesses. Companies do sometimes have to close unviable pubs, as do individual freeholders. However, they also open many pubs on a regular basis where there is demand and a gap in the market. Delays in sale can incur a great deal of expense for companies and individuals and can leave them with less surplus capital to invest back into other viable pubs to help them to thrive.

- Restrictions on the sale of pubs will not in themselves protect pubs and help them remain sustainable businesses in the long term. A pub can be compelled to remain as a licensed premises but without demand and backing from the community will struggle to provide a livelihood for the owner or tenant and may eventually close as a result. Restrictions will only load further cost and burden onto business by impeding sales of unviable pubs and preventing investment in other more viable sites.
- On the issue of the heritage value and architectural merit, we would point out that this is not dependant on the use of the building and that the fabric of the building can be protected through alternative means.
- Whilst BBPA are not in favour of increasing obstacles to selling unviable pubs there is a great deal that local authorities can do within their powers to create the right regulatory climate for small pub businesses to thrive.

Q. What other local authorities are doing on pub protection, over and above the measures that the Council has in place, and whether those efforts have so far met with any success.

- As stated above we would encourage local authorities to utilise existing legislation, in particular the Localism Act, when looking to protect pubs in their areas. We support local authorities where planning takes a sensible approach to determining whether public houses are viable or not on a case-by-case basis, rather than blanket policies.
- An example of where a council has gone above and beyond existing legislation is Cambridge City Council, during its consultation on their Local Plan 2014. The Local Plan draft document retains a number of elements we find problematic with regard to ‘protecting’ public houses. This includes a specific requirement to demonstrate that the community no longer ‘needs’ the pub, pub marketed for 12 months as a free-of-tie pub, free of restrictive covenants; the price of the pub should be pre-agreed with the planning authority, based on valuation of the site as a trading pub free-of-tie carried out by a RICS valuer and changes to the structure of existing pubs will only be allowed if the viability of the pub business will not be affected.

Our response to the Cambridge local plan consultation can be found [here](#).

In summary we would like to see councils take a positive and joined up approach to supporting pubs. Pubs and other small businesses will continue to close unless all departments within local authorities pursue supportive policies and seek to do what they can provide the right environment for these businesses to flourish. It is very positive that Hammersmith and Fulham take this issue seriously.

We have been very supportive of Government moves to cut the burden of beer tax and red tape on pubs and to improve regulatory enforcement as we believe that this is key to allowing our industry the room to grow and provide even more jobs and opportunities than we already do.